

Mineral Industry Surveys

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IRON ORE IN JUNE 2005

U.S. mine production of iron ore in June 2005, on a daily average basis, was 12% lower than that of the prior month, according to the U.S. Geological Survey. Average daily production was 149,000 metric tons per day (t/d), 19,900 t/d less than the figure for May 2005.

Shipments in June 2005, on a daily basis, were 4% less than those of May 2005. Mine stocks at the end of June were 359,000 metric tons (t) less than the corresponding stocks figure on May 31, a 5% decrease.

U.S. imports of iron ore in May 2005 were 10% less than exports, with exports exceeding imports by 130,000 t.

Exploration and Development.—Reed Resources Ltd signed a joint venture agreement with Portman Limited, majority-owned by Cleveland-Cliffs Australia Pty Ltd, for drilling on the Mt. Finnerty iron ore deposit. Mt. Finnerty is located 65 kilometers east of Portman's existing Koolyanobbing iron ore operations in Western Australia. By signing the agreement, Portman earned 80% ownership of the project if it spends A\$300,000 over the next 3 years to determine the project's ore reserves (Metal Bulletin, 2005).

Domestic Production Update.—Cleveland-Cliffs Inc announced record net income for the first half of 2005. Cliffs share of first half production from its North American operations (including Wabush operations in Canada) was 10.9 million metric tons (Mt), an increase of 6% over that of the same period in 2004 (Cleveland-Cliffs Inc, 2005¹).

World Production Update.—Rio Tinto plc (Australia) announced first half production for 2005. Rio Tinto's share of saleable quantities of iron ore plus pellets were as follows: Channar (60%-owned), 2.8 Mt; Corumba, Brazil, 0.7 Mt; Eastern Range, 3.1 Mt; Hamersley, 35.5 Mt; Iron Ore Company of Canada (59%-owned), 4.5 Mt; and Robe River (53%-owned), 13.1 Mt. Rio Tinto's share of total mine production for the first half of 2005 was 59.8 Mt compared with full year production of 107.8 Mt in 2004 (Rio Tinto plc, 2005¹).

BHP Billiton Limited (BHPB) announced first half production

figures for 2005. BHPB's share of saleable quantities of iron ore (wet) were as follows: Area C Joint Venture (JV) (85%-owned), 9.3 Mt; Goldsworthy JV (85%-owned), 2.6 Mt; Jimblebar, 3.1 Mt; Mt. Newman JV (85%-owned), 13.0 Mt; Samarco, Brazil, (50%-owned), 3.7 Mt; and Yandi JV (85%-owned), 17.7 Mt. BHPB's share of total mine production for the first half of 2005 was 49.3 Mt compared with full year production of 89.1 Mt in 2004 owing mainly to the completion of several expansion projects at Western Australia Iron Ore (BHP Billiton Limited, 2005¹).

In the first half of 2005, Brazil's Companhia Vale do Rio Doce (CVRD) reported (based on Brazilian Generally Accepted Accounting Practice) record iron ore production of 115.8 Mt and an increase in pellet production of 17.6 Mt, an increase of 3.1% compared with that of the same period in 2004. Improved performance was for the most part the result of new projects—Fábrica Nova, Carajás expansion, and Capão Xavier—and in spite of a maintenance stoppage at the São Luis pellet plant (Companhia Vale do Rio Doce, 2005¹).

Reference Cited

Metal Bulletin, 2005, Portman negotiates joint venture with Reed: Metal Bulletin, no. 8897, June 13, p. 22.

Internet References Cited

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Cleveland-Cliffs Inc, 2005 (July 27), Cleveland-Cliffs' earnings surge 200 percent, Cleveland, OH, Cleveland-Cliffs Inc, news release, 9 p., accessed July 28, 2005, via URL <http://www.cleveland-cliffs.com>.

Companhia Vale do Rio Doce, 2005 (August 10), CVRD production report for 2Q05, media release, 6 p., accessed August 16, 2005, at URL http://www.cvr.com.br/cvrd_us/media/PREPORT2T05i.pdf.

Rio Tinto plc, 2005 (July 20), Second quarter 2005 operations review, news release, 20 p., accessed August 9, 2005, via URL <http://www.riotinto.com/media/downloads/pressreleases>.

¹References that include a section mark (§) are found in the Internet References Cited section.

TABLE 1
U.S. PRODUCTION AND SHIPMENTS OF IRON ORE^{1,2}
(Exclusive of ore containing 5% or more of manganese)

(Thousand metric tons)

Period	Production		Shipments	
	Monthly	Year to date	Monthly	Year to date
2004:				
June	4,470	26,500	5,880	24,200
July	4,950	31,500	5,550	29,800
August	4,500	36,000	5,670	35,500
September	4,420	40,400	5,420	40,900
October	5,110	45,500	4,780	45,700
November	4,730	50,200	5,110	50,800
December	4,450	54,700	5,150	55,900
2005:				
January	4,420	4,420	3,350	3,350
February	3,870	8,290	1,150	4,500
March	4,240	12,500	2,610	7,110
April	4,220	16,800	4,940	12,100
May	5,250	22,000	5,210	17,300
June	4,480	26,500	4,840	22,100

¹Data are rounded to no more than three significant digits.

²Excludes byproduct ores.

TABLE 2
U.S. PRODUCTION, SHIPMENTS, AND STOCKS OF IRON ORE IN JUNE^{1,2}

(Thousand metric tons)

State	Production		Shipments ³		Stocks ⁴	
	2005	2004	2005	2004	2005	2004
Michigan	1,150	1,020	1,280	1,320	2,010	1,710
Minnesota	3,330	3,450	3,550	4,560	5,360	4,560
Total	4,480	4,470	4,840	5,880	7,370	6,270

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Excludes byproduct ore.

³Includes rail and vessel.

⁴Includes mines, plants, and loading docks.

TABLE 3
CANADA: SHIPMENTS OF IRON ORE^{1,2}

(Thousand dry metric tons)

Period	Newfoundland	Quebec	British Columbia	Total
2004:				
May	1,920	1,740	7	3,660
June	1,970	981	8	2,960
July	1,710	1,380	10	3,110
August	698	1,120	8	1,830
September	124	1,220	5	1,350
October	635	1,570	7	2,210
November	1,390	958	10	2,360
December	1,370	944	9	2,330
Year total	14,900	13,200	87	28,300
2005:				
January	1,210	1,070	8	2,280
February	928	748	8	1,680
March	1,160 ^r	873	10	2,040 ^r
April	1,690 ^r	967	7	2,660 ^r
May	1,940	588	10	2,540

^rRevised.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes production from steel plant waste oxides.

Source: Natural Resources Canada.

TABLE 4
PRODUCTION OF PIG IRON AND RAW STEEL IN THE UNITED STATES, BY TYPE OF FURNACE¹

(Thousand metric tons)

Period	Pig iron production, blast furnace		Raw steel production			
	Monthly	Year to date	Basic oxygen furnace ²		Electric furnace	
			Monthly	Year to date	Monthly	Year to date
2004:						
May	3,400	17,000	3,780	19,100	4,560	21,100
June	3,390	20,400	3,790	22,900	4,340	25,400
July	3,370	23,700	3,800	26,700	5,010	30,400
August	3,490	27,200	3,830	30,500	4,620	35,100
September	3,400	30,600	3,020	33,500	5,370	40,400
October	3,570	34,200	3,030	36,600	5,630	46,100
November	2,140	36,300	5,520	42,100	2,580	48,600
December	4,270	40,600	3,810	45,900	4,390	53,000
2005:						
January	3,420	3,420	3,890	3,890	4,390	4,390
February	3,260	6,680	3,710	7,590	3,930	8,320
March	3,660	10,300	4,040	11,600	4,150	12,500
April	3,080	13,400	3,500	15,100	4,440	16,900
May	3,080	16,500	3,430	18,600	4,320	21,200

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Raw steel production figures for the basic oxygen process are usually greater than the corresponding pig iron production figures because scrap is routinely melted in the basic oxygen furnace together with the molten pig iron.

Source: American Iron and Steel Institute.

TABLE 5
U.S. EXPORTS OF IRON ORE, BY COUNTRY OF DESTINATION AND TYPE^{1,2}

(Thousand metric tons)

Country of destination and type of product	2004		2005			
	4th quarter	January-December	March	1st quarter	April	May
Canada	1,710	7,830	338	1,280	1,440	1,250
China	26	297	--	--	1	(3)
Mexico	2	4	(3)	1	(3)	(3)
Slovakia	--	187	--	--	--	26
Trinidad and Tobago	--	29	--	--	(3)	--
Other	1	53	(3)	(3)	(3)	2
Total	1,740	8,400	338	1,280	1,440	1,280
Pellets	1,700	8,100	336	1,280	1,440	1,270
Concentrates	2	25	1	2	1	2
Direct shipping ores	30	264	(3)	(3)	1	(3)
Other	3	6	1	2	(3)	(3)
Total	1,740	8,400	338	1,280	1,440	1,280

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes agglomerates.

³Less than 1/2 unit.

Source: U.S. Census Bureau.

TABLE 6
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE, BY COUNTRY AND TYPE^{1,2}
(Exclusive of ore containing 20% or more manganese)

Country of origin and type of product	2005					2004
	May		Year to date			January-May
	Thousand metric tons	Value ³ (thousand dollars)	Thousand metric tons	Value ³ (thousand dollars)	Value ³ (dollars per ton)	Thousand metric tons
Australia	--	--	--	--	--	(4)
Brazil	424	23,600	1,910	75,500	39.57	1,950
Canada	624	18,800	1,980	74,400	37.53	2,000
Chile	--	--	172	6,200	35.98	59
China	--	--	(4)	2	263.13 ⁵	--
Finland	3	122	6	266	43.09	4
Greece	--	--	13	243	18.80	--
Mexico	2	38	6	139	25.00	26
Paraguay	--	--	4	68	16.80	--
Peru	18	586	18	589	31.95	15
Russia	--	--	99	8,550	86.00 ⁶	--
South Africa	--	--	--	--	--	104
Spain	--	--	1	25	18.00	(4)
Trinidad and Tobago	--	--	375	11,000	29.45	--
Venezuela	73	4,060	87	4,560	52.18	21
Total	1,150	47,200	4,670	182,000	38.86	4,180
Concentrates	58	1,230	290	8,710	30.09	332
Coarse ores	--	--	21	710	34.21	(4)
Fine ores	489	14,300	1,730	49,500	28.53	1,010
Pellets	593	31,400	2,560	120,000	46.83	2,820
Briquettes	--	--	--	--	--	21
Other agglomerates	2	38	62	2,530	40.80	(4)
Roasted pyrites	3	122	3	122	37.01	4
Total	1,150	47,200	4,670	182,000	38.86	4,180

-- Zero.

¹Data, with the exception of the dollars per ton column, are rounded to no more than three significant digits; may not add to totals shown.

²Includes agglomerates.

³Customs value. Excludes international freight and insurance charges.

⁴Less than 1/2 unit.

⁵May include hot-briquetted iron, direct-reduced iron, or other specialty product.

⁶All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.

TABLE 7
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE IN MAY 2005^{1,2}
(Exclusive of ore containing 20% or more manganese)

(Thousand metric tons)

Country of origin	Type of product						Total
	Concentrates	Coarse ores	Fine ores	Pellets	Briquettes and other agglomerates	Roasted pyrites	
Brazil	--	--	148	276	--	--	424
Canada	58	--	249	317	--	--	624
Finland	--	--	--	--	--	3	3
Mexico	--	--	--	--	2	--	2
Peru	--	--	18	--	--	--	18
Venezuela	--	--	73	--	--	--	73
Total	58	--	489	593	2	3	1,150

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes agglomerates.

Source: U.S. Census Bureau.

TABLE 8
U.S. IMPORTS FOR CONSUMPTION OF PELLETS, BY COUNTRY¹

Country of origin	2005					2004
	May		Year to date			January-May
	Thousand metric tons	Value ² (thousand dollars)	Thousand metric tons	Value ² (thousand dollars)	Value ² (dollars per ton)	Thousand metric tons
Brazil	276	19,200	1,220	58,900	48.12	1,120
Canada	317	12,300	1,240	52,600	42.41	1,700
Russia	--	--	99	8,550	86.00 ³	--
Total	593	31,400	2,560	120,000	46.83	2,820

-- Zero.

¹Data, with the exception of the dollars per ton column, are rounded to no more than three significant digits; may not add to totals shown.

²Customs value. Excludes international freight and insurance charges.

³All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.

TABLE 9
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE,
BY CUSTOMS DISTRICT^{1,2}
(Exclusive of ore containing 20% or more manganese)

(Thousand metric tons)

Customs district (code no.)	May	January-May	
	2005	2005	2004
Baltimore, MD (13)	70	1,290	1,690
Buffalo, NY (09)	1	6	2
Chicago, IL (39)	163	268	166
Cleveland, OH (41)	264	580	649
Detroit, MI (38)	27	53	72
Great Falls, MT (33)	--	--	(3)
Houston-Galveston, TX (53)	--	36	28
Los Angeles, CA (27)	--	(3)	--
Mobile, AL (19)	--	61	21
New Orleans, LA (20)	615	2,360	1,550
Nogales, AZ (26)	2	6	(3)
Philadelphia, PA (11)	3	3	4
San Francisco, CA (28)	--	4	--
San Juan, PR (49)	--	6	--
Total	1,150	4,670	4,180

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes agglomerates.

³Less than 1/2 unit.

Source: U.S. Census Bureau.

TABLE 10
U.S. IMPORTS FOR CONSUMPTION OF PELLETS,
BY CUSTOMS DISTRICT¹

(Thousand metric tons)

Customs district (code no.)	May	January-May	
	2005	2005	2004
Baltimore, MD (13)	--	655	669
Chicago, IL (39)	27	53	58
Cleveland, OH (41)	264	579	613
Detroit, MI (38)	27	53	72
Houston-Galveston, TX (53)	--	36	28
Mobile, AL (19)	--	61	--
New Orleans, LA (20)	276	1,130	1,380
Total	593	2,560	2,820

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

Source: U.S. Census Bureau.